

The Commonwealth of Massachusetts

ANNUAL REPORT

OF THE

Commission

OF THE

Department of Public Utilities

FOR THE

Year Ended November 30, 1940



# DEPARTMENT OF PUBLIC UTILITIES ANNUAL REPORT

January 15, 1941.

*To the Honorable Senate and House of Representatives:*

We respectfully submit the twenty-first Annual Report of the Commission of the Department of Public Utilities for the fiscal year ended November 30, 1940.

Joseph R. Cotton, of Lexington, having been appointed a Commissioner to succeed Abraham C. Webber, and having been designated by His Excellency the Governor Chairman of the Department, assumed the duties of the office on December 13, 1939.

Upon the termination of the provisional appointment of Leonard F. Hardy as Secretary of the Department, Allan Brooks was appointed Secretary, effective January 16, 1940.

## RETURNS

The number of corporations, private and municipal, persons, firms and associations under the jurisdiction of and filing annual returns with the Department, exclusive of those filing under the Sale of Securities Act, is as follows:

Steam railroads . . . . .	21	Electric companies . . . . .	36
Street railways . . . . .	18	Water companies . . . . .	80
Telephone companies . . . . .	13	Motor bus lines . . . . .	57
Telegraph companies . . . . .	3	Municipal lighting plants . . . . .	41
Steamboat companies . . . . .	2	Manufacturing and other companies and	
Sleeping car companies . . . . .	1	persons doing an electric business . . . . .	5
Express companies . . . . .	3	Voluntary associations . . . . .	17
Gas companies . . . . .	44	Affiliates of gas and electric companies . . . . .	5
Total . . . . .			346

In addition to the above there are under the jurisdiction of the Department 789 regular route common carriers, 8,284 irregular route common carriers and 1,224 contract carriers operating motor vehicles for the transportation of property for compensation between points within the Commonwealth, and 1,449 licensed interstate carriers.

During the year the Commission held 513 formal hearings and many conferences. The volume and character of the work requiring the Department's attention during the fiscal year are shown by the following tabulation:

*Petitions and Applications:* Railroad, 149; street railway, 31; gas and electric, 103; water, 10; motor bus, 165; motor truck, 203; telephone and telegraph, 26; steamboat, 4; sale of securities, 59; miscellaneous, 43; total, 798.

*Complaints:* Railroad, 92; street railway, 18; gas and electric, 670; water, 26; motor bus, 46; motor truck 782; telephone and telegraph, 813; sale of securities, 561; smoke abatement, 189; total 3,197.

*Rate Schedules:* Railroad freight service, 1,062; passenger service, 289; express, 120; street railway, 34; telephone, 31; telegraph, 12; motor bus, 26; motor truck, 3,755; electricity, 190; gas, 65; water, 12; gas and electric contracts, 273; total, 5,869.

The appropriations for the Department and its expenditures for the fiscal year ended November 30, 1940, are given below:

Appropriations . . . . .	\$379,359.60
Expenditures . . . . .	319,837.81
Balance . . . . .	\$ 59,521.79

The receipts of the Department for the same period are shown in the following itemized statement:

### Gas, Electric and Water Division:

Fees, gas meter tests . . . . .	\$32,081.80
Fees, electric meter tests . . . . .	32.00
Sales, blank forms and classification of accounts, etc. . . . .	216.25
	<u>\$ 32,330.05</u>

**Public Service Division:****Motor Buses:**

Fees, bus permits . . . . .	5,843.50	
Fees, drivers' licenses . . . . .	4,910.50	
		10,754.00

**Miscellaneous:**

Sales, blank forms . . . . .		9.70
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**Commercial Motor Vehicle Division:****Motor trucks:**

Fees, common carrier certificates . . . . .	13,652.00	
Fees, contract carrier permits . . . . .	2,910.00	
Fees, brokers' licenses . . . . .	10.00	
Fees, distinguishing plates . . . . .	121,884.00	
Fees, miscellaneous plate receipts . . . . .	201.00	
Fees, copies of documents . . . . .	56.85	
		138,713.85

**Securities Division:**

Fees, registration of brokers . . . . .	26,450.00	
Fees, registration of salesmen . . . . .	13,020.00	
Fees, copies of documents . . . . .	12.00	
		39,482.00

**Rent of Land, Brattle Square, Cambridge (Cambridge subway)** . . . . . 3,000.00

**Miscellaneous:**

Postage . . . . .	2.48	
Refunds on account of prior years . . . . .	20.00	
		22.48

**Total** . . . . . **\$224,312.08**

Financial statement verified, January 20, 1941.

Approved:

WALTER S. MORGAN,  
*Comptroller.*

**SPECIAL INVESTIGATIONS**

Twenty-nine investigations have been made by the Department upon its own motion during the fiscal year ended November 30, 1940, the character of which is shown below:

Electricity, rates and charges . . . . .	12
Gas, rates and charges . . . . .	7
Water, rates and charges . . . . .	1
Motor truck, rates and charges . . . . .	3
Railroad, passenger time tables . . . . .	2
Steamboat, rates . . . . .	1
Telephone, rates and charges . . . . .	3
<b>Total</b> . . . . .	<b>29</b>

The Special Commission, established by chapter 64 of the Resolves of 1939 to make an investigation of the possibilities of coordinating transportation facilities in and around the Metropolitan Boston area, and as to what action should be taken to assure transportation service for communities served by certain railroad lines, particularly commuting passenger service, referred to in our last annual report, has completed its final report for transmission to the General Court.

Pursuant to the provisions of section 3 of chapter 333 of the Acts of 1931 and upon notice by the Trustees of the Boston Elevated Railway Company of a deficit in the operation of the railway for the year ending March 31, 1940, the Department has made an investigation of the operations and expenses of the company, and a report (the ninth since the enactment of the statute) will shortly be transmitted to the Governor and to members of the Metropolitan Transit Council.

Eight applications for approval of issues of stock, bonds or notes of public utilities were decided during the year which ended November 30, 1940. The par value of securities to the amount of \$56,183,000.00 was approved.

The following table shows the securities approved by the Commission for the several companies applying therefor, giving both the par value of the capital stock and the issue price thereof, determined as required by law:

COMPANY	Capital Stock Approved			Bonds Approved at Par	Date
	Amount at Par	Issue Price	Value at Issue Price		
Auburn Water Company . . .	—	—	—	\$ 50,000	March 4
Boston Edison Company . . .	—	—	—	53,000,000 <sup>1</sup>	Nov. 18
Dedham Water Company . . .	—	—	—	400,000 <sup>1</sup>	Nov. 19
New Bedford Gas & Edison Light Co.	—	—	—	500,000 <sup>2</sup>	Jan. 2
New Bedford Gas & Edison Light Co.	—	—	—	1,750,000 <sup>3</sup>	July 26
Provincetown Light & Power Co. .	\$280,000	\$100	\$280,000	—	Oct. 23
West Stockbridge Water Co., Inc. .	15,000	100	15,000 <sup>4</sup>	—	Nov. 8
Williamstown Water Company . .	44,000	100	44,000	144,000 <sup>1</sup>	July 24

<sup>1</sup> Refunding

<sup>2</sup> Serial Notes

<sup>3</sup> Notes

<sup>4</sup> Original Common Stock

## ACCOUNTING

All annual returns required to be filed by gas, electric, water companies and municipal lighting plants were filed with the Department within the time limit prescribed by law.

### MUNICIPAL LIGHTING PLANTS

We have set forth a list of municipal plants with percentage earnings which, from reports filed in 1940 for the year 1939, appear to have violated the provisions of the statute requiring such plants to reduce their rates when they have earned a profit in excess of the 8 per cent allowed by law:

Ashburnham . . . . .	9.44%
Braintree . . . . .	9.32%
Hingham . . . . .	9.03%
North Attleborough . . . . .	14.39%
Norwood . . . . .	9.93%
Peabody . . . . .	28.40%
South Hadley . . . . .	9.47%
Sterling . . . . .	8.51%

Of the above plants, North Attleborough and Sterling reduced their rates in 1940.

It also appears that the following municipalities have violated section 58 of chapter 164 of the General Laws which provides that the town shall include in the annual appropriations and in the tax levy not less than the estimated cost of the gas and electricity to be used by the town for street lighting, and these figures are as follows:

Town	Estimated amount which should have been paid	Town paid only
Ashburnham . . . . .	\$ 1,586.33	\$, 650.00
Boylston . . . . .	1,253.48	1,017.03
Chester . . . . .	1,141.53	1,000.00
Groveland . . . . .	3,375.00	3,000.00
Hudson . . . . .	5,394.30	5,000.00
Hull . . . . .	14,138.46	13,127.50
Ipswich . . . . .	6,571.63	6,200.00
Mansfield . . . . .	7,983.84	7,500.00
North Attleborough . . . . .	8,098.43	5,000.00
Peabody . . . . .	15,094.65	none
Reading . . . . .	14,715.74	14,000.00
Shrewsbury . . . . .	6,601.75	5,500.00
Wakefield . . . . .	23,854.86	20,000.00
Westfield . . . . .	14,052.10	13,000.00



## GAS, ELECTRIC AND WATER UTILITIES

The rates and charges of gas and electric companies were reduced by orders of the Department or voluntarily by the companies, during the fiscal year ending November 30, 1940, by an amount representing annual savings to customers of approximately \$1,675,000.

The extent of the estimated annual savings to customers from such rate reductions since 1934, based upon the previous year's use in each instance is shown by the following table:

1934	.	.	.	.	.	.	.	.	\$1,565,485
1935	.	.	.	.	.	.	.	.	2,823,502
1936	.	.	.	.	.	.	.	.	1,263,423
1937	.	.	.	.	.	.	.	.	2,052,086
1938	.	.	.	.	.	.	.	.	177,650
1939	.	.	.	.	.	.	.	.	385,900
1940	.	.	.	.	.	.	.	.	1,675,000
Total	.	.	.	.	.	.	.	.	<u>\$9,943,046</u>

During the fiscal year 127,990 gas meters have been tested by the Gas, Electric and Water Division and those found correct were badged and sealed in accordance with the statute. This figure compares with 128,034 tested in the previous year. Of these 127,990 meters, 135 were tested on complaint of the consumer or of the Company. The average error of these 135 meters was 1.23 per cent fast as compared with 1.35 per cent fast the previous year.

Six electric meters were tested on complaint of the consumer or of the Company and the statutory tolerance of error was not exceeded in any case.

During the period from December 1, 1939 to November 30, 1940, 484 tests of the gas supplied by the forty-eight gas companies of the State were made. Twenty-eight violations of the legal standard were found and the offending companies duly warned that immediate steps must be taken to correct conditions and such conditions were thereafter corrected.

Eleven calorimeter wet meters, two five-foot provers and four calorimeter thermometers were calibrated for use of various companies.

Six hundred ninety-six complaints relating to supply, service, rates, etc. have been investigated and in most cases settled satisfactorily to all concerned. Of these, 141 were against gas companies, 529 against electric companies and 26 against water companies.

A total of 1,227 accidents has been reported during the fiscal year under the provisions of section 95 of chapter 164 of the General Laws (Ter. Ed.). This compares with 698 reported during the fiscal year ending November 30, 1939. Included in the total accidents there were 151 fatal accidents, 143 having been caused by gas and eight by electricity.

In conjunction with the Engineering Division eighty-seven investigations relative to extensions of gas, electric or water service were made.

## ENGINEERING

During the fiscal year the plant accounts of the following companies have been checked and some of the properties have been inspected by the Engineering Division:

Boston Elevated Railway Company  
 Berkshire Street Railway  
 Union Street Railway  
 Boston, Worcester & New York Street Railway  
 Eastern Massachusetts Street Railway  
 Edgartown Water Company  
 Williamstown Water Company  
 Worcester Gas Company

Worcester Gas Light Company  
 Suburban Gas & Electric Company  
 Cape & Vineyard Electric Company  
 Gloucester Electric Company  
 Attleboro Steam & Electric Company  
 Plymouth Gas Light Company  
 North Adams Gas Company  
 Adams Gas Company  
 Northern Berkshire Gas Company  
 Southeastern Electric Company  
 Plymouth Electric Company  
 Plymouth County Electric Company  
 United Electric Light Company  
 Beverly Gas & Electric Company  
 Greenfield Gas Light Company  
 New Bedford Gas & Edison Light Company  
 Provincetown Light & Power Company

A physical valuation has been made of the following water companies:

Auburn Water Company  
 Williamstown Water Company  
 Fairhaven Water Company  
 West Stockbridge Water Company  
 Topsfield Water Company

The Division investigated and reported to the Department on 53 motor bus routes and inspected 109 bridges carrying trolley cars and buses. On two of these bridges, restrictions were placed as to load, and on eight, bridge restrictions were removed.

Reports were made to the Department of all the departments of the Boston Elevated Railway Company in connection with its investigation of the operations and expenses of said railway company under chapter 333 of the Acts of 1931.

An investigation and report of the explosion at the Old Colony Gas Company plant in East Braintree was made.

The Department of Mental Health requested a study of the question of a proposed new contract for the purchase of gas at the Danvers State Hospital. After several conferences a new contract was submitted which will represent a saving of about \$1,250.00 a year to the Commonwealth.

The Department of Public Health requested a report on the power situation at Pondville Sanatorium especially with relation to whether that Department should rebuild its present plant or purchase all its power requirements from the Boston Edison Company.

An investigation of Standby Rates and Charges to the Norfolk State Prison Colony by the Boston Edison Company was made as requested by the Department of Correction.

An investigation of a new contract for the purchase of electric power at the Women's Dormitory at Massachusetts State College in Amherst was made.

In conjunction with the Gas, Electric and Water Utilities division investigations were made of 74 complaints relative to electric light and water extensions and other matters requiring engineering assistance.

A study was made and hearings were held on the railroad location plans in connection with flood control in Templeton.

Investigations were made on Old Colony Railroad problems which have been before the Department during the year.

A report was made of the land and real estate of the New York, New Haven and Hartford Railroad in accordance with chapter 309 of the Acts of 1917.

As in the preceding year, much time has been devoted to the enforcement of the rate provisions of the law relating to motor carriers of property for hire. During the past year 2,873 motor carriers completed the filing of satisfactory tariffs as common carriers or schedules of minimum charges and contracts as contract carriers.

During this period 1,448 tariffs or schedules were rejected as unacceptable for filing for failure to conform to the Department's tariff rules or to the carrier's certificate or permit.

There are now on file and open to public inspection, the tariffs of nearly 6,500 motor common carriers and the contracts and schedules of 386 contract carriers. There remain approximately 1,500 certificates issued and in effect on which satisfactory tariffs have not yet been filed. It is planned to continue holding public hearings on those common carriers who have failed to file tariffs. Action is also planned against those contract carriers who have failed to file contracts and schedules of minimum charges within a reasonable time from the issuance date of the permit.

ACCIDENTS AT GRADE CROSSINGS DURING THE YEAR ENDING  
NOVEMBER 30, 1940

RAILROADS	Protected Crossings					Unprotected Crossings				
	Number of Crossings	Killed	Injured	No Injury	Ratio of Casualties to Crossings	Number of Crossings	Killed	Injured	No Injury	Ratio of Casualties to Crossings
Boston & Albany R. R. . . . .	66	—	—	—	—	74	—	1	—	1—74
Boston & Maine R. R. . . . .	407	2	21	7	1—18	241	2	—	1	1—122
Boston R.B. & L. R. R.*	11	—	—	—	—	—	—	—	—	—
Hoosac Tun. & Wilmington R. R.	—	—	—	—	—	2	—	—	—	—
Central Vermont Ry. . . . .	7	—	2	—	1—4	37	—	—	—	—
N.Y. N.H. & H. R. R. . . . .	362	—	4	5	1—91	261	—	3	2	1—87
Fore River . . . . .	7	—	—	—	—	—	—	—	—	—
Grafton & Upton . . . . .	—	—	—	—	—	—	—	—	—	—
Totals . . . . .	860	2	27	12	1—30	615	2	4	3	1—103

\*Abandoned January 27, 1940

*GRADE CROSSING ACCIDENTS INVESTIGATED*

Number involving motor vehicles . . . . .	32
Number involving pedestrians . . . . .	0
Total Accidents . . . . .	32

Twenty-four of these accidents occurred at crossings with some form of protection and 8 at crossings where there was no form of protection. Twenty-one of the above accidents occurred in the daylight and 11 after dark. Passenger trains were involved in 15 accidents, freight trains in 16 and a light engine in 1.

RAILROADS, STREET RAILWAYS AND STEAMBOATS

During the fiscal year the Division of Railway and Bus Utilities made 15,159 inspections of rolling stock, including locomotives, passenger and freight cars; 3,117 inspections of street railway cars; 352 inspections of trackless trolley coaches; 1,449 inspections of railroad and street railway stations; 1,904 inspections of railroad and street railway bridges; 9,200 inspections of railroad and street railway automatic and interlocking signals; 127 inspections of interlocking, remote control and centralized traffic control systems and 606 inspections of grade crossing protection. In addition, switches and derails, foot blocking, bridge guards and crossing signs were inspected. Defective conditions were called to the attention of the proper officials of the companies and corrections were made.

The Division investigated 216 accidents and 137 delays on railroads and 107 accidents and 76 delays on street railways. Sixty-four complaints relative to the operation of railroads and 18 as to street railways were investigated.

The Division assisted the Department of the Attorney General in securing information regarding passenger, freight and miscellaneous revenues at certain stations on the Old Colony Railroad, together with passenger traffic counts which were presented at hearings before the Department and before the Interstate Commerce Commission on the matter of abandonment of service on the



Old Colony Railroad. The Division also offered testimony at a hearing before the Interstate Commerce Commission in Washington in relation to the matter of said abandonment.

#### MOTOR BUS TRANSPORTATION

At the close of the fiscal year there were 77 persons, associations or corporations (including street railway companies) operating motor buses within the Commonwealth for the carriage of passengers for hire under a certificate of public convenience and necessity granted by the Department. There were also 109 persons, associations or corporations operating motor buses within the Commonwealth for the carriage of passengers for hire under a special or charter license granted under the provisions of chapter 404 of the Acts of 1939. There were 624 bus permits (including duplicate or amended permits) and 4,755 bus drivers' licenses (including duplicate licenses) issued, for which fees aggregating \$10,754.00 have been received. The Division made 8,697 inspections of buses; 941 inspections of highway bridges over which buses operate and defective conditions were called to the attention of the proper officials and corrections made. The Division also investigated 98 accidents; was represented at 7 inquests and investigated and adjusted 46 complaints. Seven hundred sixty-eight drivers were examined for bus drivers' licenses.

#### RAILROADS AND STEAMSHIPS

On January 8, 1940, the Trustees of the New York, New Haven and Hartford Railroad filed with the Department a motion to reopen the hearings involving the so-called 88 station cases, for the purpose of introducing new evidence, pertinent to the issues involved in the said petitions. This motion was granted and public hearings thereon were held on January 29 and 31, 1940.

The original petitions, with the exception of the Yarmouth-Provincetown case, which was decided by the Department in 1938, were dismissed without prejudice in our order of November 28, 1939, because of insufficient, inconclusive and unconvincing evidence, and the Trustees were ordered to restore within 10 days the service that had been discontinued and to reopen the 88 stations that had been closed in compliance with an order of the Federal Court, which was overruled by the Supreme Court.

Written approval of the Department was sought for the proposed abandonment of 88 stations upon the lines of the petitioner within the Commonwealth of Massachusetts, 53 of which were on the Old Colony Railroad, 25 on the New England and 10 on the Boston and Providence; and to discontinue certain passenger trains and to revise the schedules of certain other trains upon the lines of the aforesaid railroads presently being operated by the New Haven.

The Department studied carefully the exhibits and testimony in the reopened cases. The results of its own investigation which had not been completed in previous hearings were now available and on February 20, 1940 an order was made permitting the petition in part.

The Department by this order approved in writing the abandonment of passenger stations at Bass River, North Harwich, Pleasant Lake, Brewster, East Brewster, North Eastham, South Wellfleet, South Truro, North Truro, Morrills, East Walpole, Walpole Heights, Pondville, Wrentham, Lake Pearl, Wampanoag, Plainville, North Attleboro, Springdale, Easton, Whittenton, Norton, East Freetown, Braleys, Weld Street, Ferry Street, West Hingham, Nantasket Junction, North Cohasset, Black Rock, Beechwood, Randolph, North Hanson, Burrage, Halifax, Plympton, Matfield, Westdale, Stanley, Rock, South Middleboro, Tremont, Bourne, Sagamore, East Sandwich, Gray Gables on the Old Colony Railroad and North Bellingham, Bellingham Junction, Ashcroft, Winslow, Highland Lake, City Mills, on New England Railroad and Sharon Heights, West Mansfield, Spring Street and West Stoughton on the Boston and Providence Railroad.



It further ordered the New Haven to reopen stations at East Braintree, on the Old Colony Railroad; Plymptonville, Charles River, Dover, Farm Street, Medfield Junction, Clicquot, Millis, Medway, Caryville, Mount Hope, Harvard Street, Dorchester, Morton Street, River Street, Blue Hill Avenue and Fairmount on the New England Railroad; and East Foxboro on the Boston and Providence railroad throughout the year; and to restore stops during the period approximately from June 24 to September 7 at South Dennis, Harwich, Orleans, Eastham, Wellfleet, Truro and Provincetown on the Old Colony railroad. The railroad was allowed to substitute shelters for existing station buildings at each of these stops.

Two trains in each direction were ordered restored on the Dorchester Branch of the New England Railroad and a single train in each direction on the West Medway Branch, daily except Sunday. Trains were ordered stopped at Boylston Street, Jamaica Plain, Forest Hills, Mount Hope and East Foxboro on the Boston and Providence railroad, as well as Plymptonville on the New England Railroad. Summer train service was restored on the Provincetown branch of the Old Colony Railroad to become effective on June 24, continuing to after Labor Day.

The Trustees of the railroad restored the service and reopened the stations on March 10, 1940.

On January 9, 1940 the New Haven filed with the Department the so-called interim passenger service plan, and public hearings were held on February 12, 13 and 16, 1940. The petitioners urged the adoption of a plan developed in collaboration with the special Legislative Commission to Investigate the Railroad Facilities of the Commonwealth. Evidence was received from representatives of various railroad labor organizations, the Old Colony Commuters League and the general public.

Concurrently with the filing of the Trustees' petition the Department initiated an investigation upon its own motion, taking into consideration evidence submitted in other cases involving the New Haven and Old Colony departmental checks of revenues and expenses, volume of traffic as well as counts of passengers using individual trains, analyses made by the Department's inspectors and other relevant information.

The Department modified the proposed plan in order to provide additional service, and the plan as modified became effective March 31, 1941, the important change affecting the service south of Braintree. It included stations at Boston, Atlantic, Norfolk Downs, Wollaston, Quincy, Quincy Adams, Braintree, Montclair, East Milton, West Quincy, East Braintree, Weymouth, Weymouth Heights, East Weymouth, Hingham, Cohasset, North Scituate, Egypt, Scituate, Greenbush, South Braintree, South Weymouth, North Abington, Abington, Whitman, South Hanson, Monponsett, Kingston, Cordage, Plymouth, Rockland, West Hanover, Braintree Highlands, Holbrook (Randolph), Avon, Montello, Brockton, Campello, Bridgewater, South Bridgewater, Middleboro, Wareham, Onset, Buzzards Bay, Sandwich, West Barnstable, Barnstable, Yarmouth, Hyannis, Monument Beach, Pocasset, Catumet, North Falmouth, Falmouth and Woods Hole.

On June 13, 1940, the Trustees of the New York, New Haven and Hartford Railroad requested approval of the abandonment of passenger stations at Forest Hills, Jamaica Plain and Boylston Street on the lines of the Boston & Providence Railroad. A public hearing was held and on July 26, 1940 the Department approved in writing of the abandonment of said stations.

The service on the West Quincy branch of the Old Colony Railroad was again before the Department, when on June 11, 1940 the Trustees of the New Haven petitioned for the abandonment of passenger train stations at West Quincy, East Milton and Montclair.

After public hearings and investigation by the Department, the petition was approved and the abandonment of said stations was authorized on September 6, 1940.

An increase in freight rates proposed by the New England Steamship Company between New Bedford, Woods Hole, Marthas Vineyard and Nantucket

was decided by the Department on October 31, 1940, after several public hearings. These increases were filed by the steamship company to become effective January 1, 1940, but were suspended by successive orders until November 1, 1940. In our order of October 31, 1940 the Department disapproved the rates as filed but allowed the petitioner leave to reissue after certain suggested adjustments.

#### COMMERCIAL MOTOR VEHICLE DIVISION

Wallace G. Kittredge of Malden was appointed Director on April 3, 1940 to succeed George O. Darling, and Harry Dunlap Brown of Billerica was appointed Assistant Director on August 19, 1940 to succeed David J. McCarthy, as a result of competitive civil service examinations.

During the fiscal year a total of 1,427 common, contract and interstate carrier applications was filed. As required by statute, written notice of all hearings on intrastate applications must be sent to all registered carriers. Three bulletins containing the list for hearing of all new cases, 1,871 in number, were issued. On these cases 55 hearing days were required.

An increasing number of transfers was noted the past year, and on such cases 178 investigations and hearings were held. By an order of the Commission, acting under authority of chapter 159B of the General Laws as amended, if the transferee is already the holder of rights, new rights obtained through transfer shall be consolidated with original rights of the carrier.

In connection with the W. P. A. State Records Project, a group of workers established a geographic card index showing the name and address, type of work performed and the radius covered by all registered carriers in the Commonwealth. This record will be continued so that the number of carriers now serving the various districts of the Commonwealth can readily be determined.

The Division received 782 complaints during the year, most of which were for certificate and plate violations. Some carriers failed to make prompt returns on C.O.D. collections, and adjustments on most of these were made through the Director.

Section 10A of chapter 159B of the General Laws provides that reciprocal agreements may be effected with states which do not charge fees to Massachusetts carriers. During the year the States of Ohio, Maryland, Pennsylvania, Vermont, New Hampshire, Delaware, Illinois, Indiana and New York entered into reciprocal agreements with this Commonwealth.

The office of the Division was moved from the Basement to Room 910, 100 Nashua Street, in November, 1940.

#### TELEPHONE AND TELEGRAPH

On November 30, 1940, there were 920,259 telephone stations in Massachusetts, a net gain of 27,331 stations over the preceding year.

The division handled 813 complaints that required specific survey or investigation.

Previous to the cut-over of the cross bar dial office for Newton, a scaling centre was established as of March 16, 1940, at Central and Washington streets, Newtonville, proposed location of the Newton central office, for the measurement of all extension and tie line mileage in the areas then being served by the Centre Newton, Newton North and West Newton central offices, resulting in a reduction of \$1,700 to subscribers.

Prior to the change from manual to dial office for Newton, the town of Watertown was served from the Newton North telephone exchange but upon the establishment of one exchange area within the City of Newton, a new exchange was set up for the town of Watertown and a scaling centre, effective March 16, 1940, located at the United States Post Office in Watertown Square was established resulting in a savings of \$300 in mileage charges to users of extension lines and tie lines.

As a result of petition filed by residents of that section of Gloucester known as Magnolia, after a public hearing and investigation, the Commission made

the Magnolia office, which up to that time was a separate telephone exchange, a central office of the Gloucester exchange area, effective April 26, 1940, and thereby abolished the five-cent toll charge for subscribers calling between those exchanges, saving subscribers \$1,600 annually.

On April 10, 1940, base rate areas in the Norwood and Canton exchanges were extended, thereby eliminating mileage charges for 26 subscribers in Canton and 15 subscribers in Norwood, with a yearly saving of \$510.

May 1, 1940, that portion of the Hingham exchange area subject to season service rates was reduced in size thereby eliminating five months' season service charges to subscribers involved with an annual saving of \$200.

On July 1, 1940, mileage charges were reduced in Groups V, VI and VII for four-party service located within one mile of the base rate area. These reductions benefited 1,092 customers in 66 exchanges to the extent of \$6,000.

On July 1, 1940, the Commission ordered the elimination of the 25-cent charge for dial equipped private branch exchange stations which was 25 cents higher than for manual type stations. This reduction affected 37,219 dial type telephones with an annual saving of \$112,000 to such customers. While the actual saving from this particular reduction amounted to \$112,000, as herein stated, the discontinuance of this 25-cent monthly charge will bring about an additional annual saving of \$150,000 to private branch exchange customers when the New England Telephone and Telegraph Company completes the conversion from manual to dial or machine switching exchanges now in process or planned.

As of July 1, 1940, message toll telephone rates were reduced by changes in mileage steps—the lowering of rates charged for the initial periods on calls in the amount of 5, 10, 15 and 20 cents per call and certain other reductions in overtime charges of 5 and 10 cents per overtime period. These reductions apply to calls originating and terminating within the Commonwealth of Massachusetts and to calls originating in Massachusetts and terminating outside the Commonwealth but within the territory of the New England Telephone and Telegraph Company. An annual saving of \$148,000 or \$73,000 interstate and \$75,000 intrastate, will ensue.

### *Extended Area Service*

A new type of service, extended area service, was introduced experimentally on October 16, 1940, in selected exchanges only, this service now being furnished in the Andover, Chicopee, East Longmeadow, Leicester and Shrewsbury exchanges. This service permits customers to obtain exchange service over an extended area. It is furnished at monthly base rates which provide one-party and private branch exchange service on an unlimited basis in the local exchange and on an initial period message unit basis with other designated exchanges. Included with the extended area base rate are 40 message units for business service and 30 message units for residence service. Additional message units are 4½ cents each. It has been estimated that the introduction of extended area service in these exchanges will result in an annual saving of \$5,500 to those customers who avail themselves of the service. It is expected, however, that when this service is placed on a state-wide basis it will effect an annual saving of \$80,000.

### *Special Reversed Charge Toll Service*

This service provides arrangement whereby customers to private branch exchange or one-party service (except coin box service) may offer their patrons in other exchanges the privilege of calling at their expense without having to request specific acceptance of the charge. Previous to July 1, 1940, this service was available between exchanges where the initial station-to-station rate was 10 cents or more. As a result of conference with the Commission, this service is now available between exchanges where the initial station-to-station day rate is 5 cents or more, except when one or more of the exchanges are in



Metropolitan Boston. If one or more of the exchanges are within Metropolitan Boston the service is furnished provided the initial period station-to-station day rate is 10 cents or more.

### *Foreign Exchange Service*

As a result of a petition filed by certain customers of the New England Telephone and Telegraph Company relative to charges for foreign exchange service, hearings were held by the Department on March 21, 1940, April 11, 1940, and May 1, 1940. At the original hearing (D.P.U. 5816) various complainants appeared and stated their views regarding the discrimination in foreign exchange charges. Sufficient evidence was introduced to establish the accuracy of the petitioners' contention.

As of March 18, 1940, there were only 600 subscribers enjoying foreign exchange service on the obsolete basis.

After notice, public hearings, investigation by the Department upon its own motion and consideration, the so-called obsolete foreign exchange mileage charge in existence since July 1, 1932 was abolished.

When the regular rate for foreign exchange service was applied, many subscribers to that service under the obsolete rate filed protests. Investigation was made into each case and in a great many cases a canvass conducted by the personnel of the division. Most of these cases have been settled satisfactorily to all concerned by an extension of the exchange boundary permitting the subscribers to have service on the exchange desired.

### *Installation of Crossbar Type Dial Telephone Service*

On November 17, 1940, the new crossbar dial central office serving Watertown and the Newtons was put into operation. This cutover was the 27th dial cutover in the Metropolitan Division and increased the proportion of customers served by dial equipment from 57% to 63%.

### *Highland Telephone Company*

The Highland Telephone Company terminated operation of its system, and on October 5, 1940, its subscribers were furnished service by the New England Telephone and Telegraph Company.

### *State House Telephone Service*

Changes within the various departments required a considerable number of telephone equipment relocations during the past year. A more flexible method of completion of calls has been provided in a number of departments.

While the transition of certain toll calls into local message units created an increase in local traffic, a substantial saving has been made in the cost of these calls without an increase in cost of operation.

Studies are being made on the advisability of centralizing through the State House telephone system divisions of departments located outside the State House that now have direct telephone service.

Reports from various departments in the State House show that satisfactory telephone service is being rendered over the present dial system.

## DIVISION OF SMOKE INSPECTION

The Division has made during the fiscal year further gains in the elimination of smoke in the twenty-nine cities and towns which go to make up the territory covered by the smoke laws.



*Plant Calls*

Through the cooperation of all interested to operate within the law when violations have been noted the Division believes that this district is the cleanest of any in the country comparable in size and manufacturing interests. During the year the Division's inspectors have made a total of 768 plant calls. Many homes and apartment houses have Cast Iron Sectional type of boilers which have been used for many years and which were originally designed to burn smokeless fuel, such as hard coal, as they have only a small combustion space. When this fuel was \$5.00 a ton there was no smoke nuisance from these boilers; now, however, that the price is about \$13.00 it is only logical that the owners buy a cheaper fuel, such as soft coal, which incidentally has a greater heat unit content. This coal can be burned without violation, if the side-bank method of firing is used and the boiler is fired often. In starting new fires with soft coal, the kindling should be placed on top of the coal.

During the year the Division has prepared itself, with the cooperation of other interested parties, to aid in defence measures that will screen our water and sewer systems, navy yard and all public utility plants when called upon by proper authorities.

	1939	1940
Observations on Stationary Stacks . . .	282,079	319,683
Observations on Locomotive Stacks . . .	47,097	45,253
Observations on Marine Stacks . . .	6,176	6,700
Total . . . . .	335,352	371,636

	1939	1940
Violations on Stationary Stacks . . .	762	668
Violations on Locomotive Stacks . . .	39	49
Violations on Marine Stacks . . .	20	24
Total . . . . .	821	741

It is interesting to note that the total number of observations made this year on stationary stacks is the greatest ever made in any year by the Division. It is also gratifying to know that the total number of violations noted is the smallest of any recent year.

We have had the coldest heating season on record—no subzero weather in Boston—but from the blizzard on February 14 for two months the snow laid on the streets and fuel consumption was 16% more, by the Government reports, than ever before. Consequently, there was more smoke although there were no more violations or complaints.

During the year observations have been made on a total of 4,413 stacks and of these, 4,024 or 91.19% were without any violations having been noted.

Of the 8.81% violating, 0.18% were on Public Service stacks; 4.01% were on Manufacturing stacks; 4.62% were on offices and apartment buildings. Of the 389 stacks which violated during the year, 247, or 63.50%, had only one violation and 20.82% had only two violations.

Of the 668 violations reported on stationary stacks, 48.95% were on oil burning plants; 46.85% were on coal-burning plants and 4.20% were on plants burning wood or refuse.

Of the stationary violations—

1939	1940
86.88%	86.98% were on Class I stacks
11.81%	12.12% were on Class II stacks
1.31%	0.90% were on Class III stacks

The large plants are smoke conscious, as they know that smoke means waste and they seldom violate, and are more than willing to cooperate to operate within the law. The policy of the Division is education and cooperation. Our inspectors have been a great help to many fuel burners, for 80% of the smoke nuisance comes from careless operation or lack of information on the proper methods of firing and only 10% is from poor fuel.

Lack of the proper amount of air for good combustion is one great trouble in both oil and coal. All fuel must be heated, disintegrated and gasified before it burns. With fuel oil, it is important to have the proper turbulence, temperature and time so the viscosity and the degrees of the A. P. I. should be borne in mind as well as the right type of burner for the kind of oil to be used. Also the equipment should be kept clean. This means the burner, tank and boiler. One-eighth inch of soot means a 40% loss of fuel.

#### SALE OF SECURITIES

During the fiscal year there were filed with the Commission 230 Notices of Intention to Offer for Sale 293 security issues having a par value of \$1,169,284,092.97, the offering price for which aggregated \$1,670,686,735.16. This is an increase of more than 10 per cent in number of Notices filed and more than 25 per cent in aggregate offering price of securities for which qualification for sale in Massachusetts is sought. There was a monthly average of approximately 19 Notices and the aggregate offering price was \$139,223,900; the average offering price of the securities presented on each Notice being \$7,263,855. The smallest number of Notices filed in any one month was 12 in June; the largest number was 31 in April, the corresponding amounts of aggregate offering price being \$22,001,040 and \$100,023,211. Final disposition was not reached on 13 of the Notices filed, while 8 were brought over from last year so that final action was taken on 225 Notices covering 283 security issues during the year.

The aggregate offering price of the issues so considered amounted to \$1,568,-384,433.66. Of this amount \$851,591,338.66 was passed for qualification; \$464,135,943.50 was exempted and \$252,657,151.50 was permitted to withdraw and not become qualified.

Of the securities that had at some time become qualified, 28 issues having a par value of \$23,581,850 were forbidden to be sold because of failure to file required information. Revocation of these findings affecting 6 issues of a par value aggregating \$2,582,236 was made, the information having subsequently been filed.

A total of 531 brokers was registered during the fiscal year. Registrations of 13 brokers were cancelled upon request of the brokers and the registration of one broker was suspended after a hearing. A total of 2,610 salesmen was registered during the year, of which 91 were cancelled upon request of the salesman; 42 were cancelled for failure to furnish name of the broker by whom employed; 2 were cancelled by order after a hearing and one was suspended by order. In all, 34 hearings were held, resulting in 10 appeals being taken to a majority of the Commission. In addition to formal hearings, 561 complaints against brokers and salesmen were investigated.

In accordance with the provisions of section 32 of chapter 30 of the General Laws as amended by chapter 499 of the Acts of 1939, the Department submits the following list of all rules and regulations made or promulgated by the Department and in force and effective on November 30, 1940, namely;

1. P.S.C. 1752—November 8, 1918—Modification of regulations relative to emergency tools and appliances on railroad trains and cars.
2. D.P.U. 300—Rules with reference to the equipment of street railway cars.
3. D.P.U. 2304—Rules, terms and conditions, operation of motor vehicles for carriage of passengers for hire—May 15, 1926.
4. Rules for the observation of smoke by smoke inspectors—adopted February 8, 1929—authority section 4, chapter 651, Acts 1910.

5. Rules and regulations of the Department on July 31, 1931 relating to forms of accounts, records and memorandum and forms of annual returns of common carriers of gas and electric companies or persons in manufacture and sale or distribution of gas or electricity, and of water companies, together with attested copies of forms referred to in said rules and regulations.
6. D.P.U. 4214—August 19, 1931—Regulations relating to intake pipe leading to gas meter, an automatic device designed to retard gas in case of fire.
7. D.P.U. 4224—Rules and regulations—provisions of section 2, chapter 135, Acts 1931—Signals by rail-borne motor cars operated on railroads. Adopted December 24, 1931.
8. D.P.U. 4350—Rules, terms and conditions, operation of motor vehicles for carriage of passengers for hire, March 11, 1932.
9. March 25, 1932—Amendment to D.P.U. 4350 noted above.
10. D.P.U. 4437—Rules, terms and conditions, operation of sightseeing automobiles for the carriage of passengers for hire (June 30, 1932).
11. D.P.U. 4447—July 14, 1932—Rules and regulations relative to the lending of money by gas and electric companies.
12. March 24, 1933—Amendment to D.P.U. 4447 noted above.
13. July 15, 1927—Rules and regulations for filing of tariffs and schedules, also an amendment to said rules and regulations—June 23, 1933.
14. D.P.U. 4240—December 29, 1933—Order of department relative to books and accounts of gas and electric companies, municipal lighting plants and water companies.
15. D.P.U. 4350-AB—May 15, 1934—Amendment to rules, terms and conditions for the operation of motor vehicles for the carriage of passengers for hire, adopted March 11, 1932.
16. D.P.U. 4926—February 12, 1935—Rules and regulations relating to motor vehicles transporting property for hire.
17. D.P.U. 4888—March 12, 1935—Order in relation to equipment of railroad trains and cars with emergency tools and appliances.
18. D.P.U. 4350-AU—March 20, 1936—Amendment of Rule 38 of Rules, terms and conditions for the operation of motor vehicles for the carriage of passengers for hire, adopted March 11, 1932.
19. D.P.U. 4240—March 18, 1938—Order relating to classification of accounts for gas and electric companies, municipal lighting plants and water companies.
20. D.P.U. 4888—December 4, 1936—Order in relation to equipment of railroad trains and cars with emergency tools and appliances.

Respectfully submitted,

CARROLL L. MEINS, *Chairman*  
JOHN J. CURLEY,  
FRANCIS M. MCKEOWN,  
JOHN M. WHOULEY,  
GILBERT W. COX,

*Commissioners.*

NOTE: Since the close of the fiscal year covered by the foregoing report, Joseph R. Cotton resigned and was succeeded as Commissioner by Gilbert W. Cox, of Needham; and Richard D. Grant, whose term of office expired, was succeeded as Commissioner by Carroll L. Meins, of Boston, who was designated Chairman of the Commission.

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